THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) In the suggestions made by the various organisations of Industry including the Federation of Indian Chambers of Commerce and Industry, the problem of timely repayment of loans taken from financial institutions (FIs) for financing the ongoing projects by some cement and steel companies has been brought to the notice of the Government. Any restructuring of loans or provision of additional assistance from the financial institutions to any company as to be based purely on commercial considerations and assessment of the institutions concerned after due consideration to prudential norms on exposure and asset classification of the portfolio. Accordingly, reschedulement is considered on case to case basis on merits and FIs do not grant reschedulement of loans as a matter of course.

Recruitment Policy of Private Sector Banks

68. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the private banks do not have a recruitment policy in consonance with the one existing for the public sector banks and make recruitment of their staff/managerial appointments from the areas where their headquarters are located.

(b) if so, whether there is any proposal to direct such banks to have a recruitment policy on regional basis; and

(c) whether under the Bipartite Settlement staff is not to be posted beyond 80 kms. of the language area but the same is being violated with impunity by the private sector banks not having region based recruitment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) There is no uniform recruitment policy in the private sector banks and each private sector bank has its own policy.

(b) There is no proposal to direct private sector banks to have a recruitment policy on ' regional basis.

(c) Government has not laid down any recruitment policy for recruitment by the private sector banks. Each private sector bank has its own recruitment policy. Government does not collect any information regarding the violation, if any, of the bipartite settlement in regard to the posting of staff by the private sector banks. Violations, if any, of the provisions of the agreements entered into between the management and the union are matters that any aggrieved person may take up with the concerned forum/authority as available in the bank as also under Industrial Disputes Act.

Licences to Private Sector Banks

69. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is required to satisfy itself of the existence of a potential scope of expansion of banking activities in any area where the same is already in existence before granting any licence to a banking company;

(b) whether the RBI has granted licences to many private banks in areas where there were already branches of public sector banks after nationalisation of banks thereby prejudicially affecting the working of banking system in such areas; and

(c) if so, whether Government propose to look into this matter and check the further growth of private banks in areas covered by public sector banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN). (a) Reserve bank of India issues licences for setting up banks in the private sector under Section 22 of the Banking Regulation Act, 1949, which *inter alia,* provides that before granting any licence under this Section, the Reserve Bank of India may require to be satisfied by an inspection of the books of the company or otherwise that having regard to the banking facilities available in the proposed pre-area of operations of the company, the potential scope for expansion of banks already in existence in the area and other relevant